



General Assembly

February Session, 2004

***Raised Bill No. 5409***

LCO No. 1408

\*01408\_\_\_\_\_BA\_\*

Referred to Committee on Banks

Introduced by:  
(BA)

***AN ACT CONCERNING CHECK CASHING SERVICES AND MONEY TRANSMISSION.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 36a-581 of the general statutes is repealed and the  
2 following is substituted in lieu thereof (*Effective October 1, 2004*):

3 (a) Except as provided for in section 36a-580, no person shall  
4 engage in the business of cashing checks, drafts or money orders for  
5 consideration without obtaining a license to operate a general facility  
6 or a license to operate a limited facility for each location where such  
7 business is to be conducted.

8 (b) Each licensee of a limited facility shall continuously maintain at  
9 least one operating general facility. A licensee of a limited facility shall  
10 not pay any compensation or consideration to any employer.

11 (c) An application for a check cashing license or renewal of such  
12 license shall be in writing, under oath and on a form provided by the  
13 commissioner. The application shall set forth: (1) The name and  
14 address of the applicant; (2) if the applicant is a firm or partnership,

15 the names and addresses of each member of the firm or partnership;  
 16 (3) if the applicant is a corporation, the names and addresses of each  
 17 officer, director, authorized agent and each shareholder owning ten  
 18 per cent or more of the outstanding stock of such corporation; (4) if the  
 19 applicant is a limited liability company, the names and addresses of  
 20 each manager and authorized agent of such limited liability company;  
 21 (5) each location where the check cashing business is to be conducted  
 22 and the type of facility that will be operated at that location; [(5)] (6)  
 23 the business plan, which shall include the proposed days and hours of  
 24 operation; [(6)] (7) the amount of liquid assets available for each  
 25 location which shall not be less than the amount specified in  
 26 subdivision (6) of subsection (e) of this section; [(7)] (8) for each limited  
 27 facility, a copy of the executed contract evidencing the proposed  
 28 arrangement between the applicant and the employer; and [(8)] (9) any  
 29 other information the commissioner may require.

30 (d) [No change shall be made in] A licensee shall not change the  
 31 location specified [in the application without filing] on its license  
 32 unless, prior to such change in location, the licensee files an application  
 33 with the commissioner for change in location accompanied by the  
 34 [applicable] location transfer fee and receives the approval of the  
 35 commissioner. [No change shall be made in the type of facility without  
 36 filing a new application for licensure of the changed facility  
 37 accompanied by the applicable application fee. No change shall be  
 38 made to the] A licensee of a limited facility shall not change its  
 39 approved days and hours of operation [specified in any application  
 40 without the prior written approval of the commissioner] unless, prior  
 41 to any such change, the licensee files an application with and receives  
 42 the approval of the commissioner.

43 (e) Upon the filing of the required application and the applicable  
 44 application and license fees, the commissioner shall investigate the  
 45 facts and may issue a license if the commissioner finds that (1) the  
 46 applicant is in all respects properly qualified and of good character, (2)  
 47 if the applicant is a firm or partnership, each member of the firm or

48 partnership is in all respects properly qualified and of good character,  
 49 (3) if the applicant is a corporation, each officer, director, authorized  
 50 agent and each shareholder owning ten per cent or more of the  
 51 outstanding stock of such corporation is in all respects properly  
 52 qualified and of good character, (4) if the applicant is a limited liability  
 53 company, each manager and authorized agent is in all respects  
 54 properly qualified and of good character; (5) granting such license  
 55 would not be against the public interest, [(5)] (6) the applicant has a  
 56 feasible plan for conducting business, and [(6)] (7) the applicant has  
 57 available and shall continuously maintain liquid assets of at least ten  
 58 thousand dollars for each general facility location and at least two  
 59 thousand five hundred dollars for each limited facility location  
 60 specified in the application.

61 (f) An applicant or licensee shall promptly notify the commissioner,  
 62 in writing, of any change in the information provided in its initial or  
 63 renewal application for licensure or most recent renewal of such  
 64 license.

65 Sec. 2. Section 36a-582 of the general statutes is repealed and the  
 66 following is substituted in lieu thereof (*Effective October 1, 2004*):

67 (a) Each applicant for a check cashing license shall pay to the  
 68 commissioner, a nonrefundable initial application fee of one thousand  
 69 dollars and a nonrefundable license fee of one hundred dollars for  
 70 each location. Each licensee shall pay to the commissioner a  
 71 nonrefundable location transfer fee of one hundred dollars for each  
 72 application to transfer a location. Each license issued pursuant to  
 73 section 36a-581, as amended by this act, shall expire at the close of  
 74 business on June thirtieth of each year unless such license is renewed.  
 75 Each licensee shall, on or before June twentieth of each year, pay to the  
 76 commissioner a renewal application fee of seven hundred fifty dollars  
 77 and a renewal license fee for each location of fifty dollars for the  
 78 succeeding year, commencing July first.

79 (b) If the commissioner determines that a check filed with the

80 commissioner to pay an application or license fee has been dishonored,  
81 the commissioner shall automatically suspend the license or approval  
82 or a renewal license that has been issued but is not yet effective. The  
83 commissioner shall give the licensee notice of the automatic  
84 suspension pending proceedings for revocation or refusal to renew  
85 such license and an opportunity for a hearing on such actions in  
86 accordance with section 36a-51. If the commissioner determines that a  
87 check filed with the commissioner to pay a location transfer fee has  
88 been dishonored, the commissioner shall automatically suspend the  
89 location transfer approval pending revocation of such approval by the  
90 commissioner and an opportunity for a hearing on such actions in  
91 accordance with section 36a-51.

92 [(b)] (c) Each applicant or licensee shall pay the expenses of any  
93 examination or other investigation under sections 36a-580 to 36a-589,  
94 inclusive.

95 [(c)] (d) No abatement of the application, license or location transfer  
96 fee shall be made if the license is surrendered, cancelled, revoked or  
97 suspended prior to the expiration of the period for which it was issued.

98 Sec. 3. Section 36a-596 of the general statutes is repealed and the  
99 following is substituted in lieu thereof (*Effective from passage*):

100 As used in sections 36a-595 to 36a-610, inclusive:

101 (1) "Electronic payment instrument" means a card or other tangible  
102 object for the transmission or payment of money which contains a  
103 microprocessor chip, magnetic stripe, or other means for the storage of  
104 information, that is prefunded and for which the value is decremented  
105 upon each use, but does not include a card or other tangible object that  
106 is redeemable by the issuer in the issuer's goods or services.

107 (2) "Holder" means a person, other than a purchaser, who is either in  
108 possession of a Connecticut payment instrument and is the named  
109 payee thereon or in possession of a Connecticut payment instrument

110 issued or endorsed to such person or bearer or in blank. "Holder" does  
111 not include any person who is in possession of a lost, stolen or forged  
112 Connecticut payment instrument.

113 (3) "Licensee" means any person licensed pursuant to sections 36a-  
114 595 to 36a-610, inclusive.

115 (4) "Material litigation" means any litigation that, according to  
116 generally accepted accounting principles, is deemed significant to a  
117 person's financial health and would be required to be referenced in a  
118 person's annual audited financial statements, report to shareholders or  
119 similar documents.

120 (5) "Monetary value" means a medium of exchange, whether or not  
121 redeemable in money.

122 [(5)] (6) "Money order" means any check, draft, money order or  
123 other payment instrument. "Money order" does not include a travelers  
124 check or electronic payment instrument.

125 [(6)] (7) "Money transmission" means engaging in the business of  
126 receiving money or monetary value for current or future transmission  
127 or the business of transmitting money or monetary value within the  
128 United States or to locations outside the United States by any and all  
129 means including, but not limited to, payment instrument, wire,  
130 facsimile or electronic transfer or issuing stored value.

131 [(7)] (8) "Net worth" means the excess of assets over liabilities as  
132 determined by generally accepted accounting principles.

133 [(8)] (9) "Outstanding" means, in the case of a money order, travelers  
134 check, [or] electronic payment instrument or stored value, that: (A) It is  
135 sold or issued in the United States; (B) a report of it has been received  
136 by a licensee from its agents or subagents; and (C) it has not yet been  
137 paid by the issuer.

138 [(9)] (10) "Payment instrument" means a money order, travelers

139 check or electronic payment instrument that evidences either an  
140 obligation for the transmission or payment of money, or the purchase  
141 or the deposit of funds for the purchase of such money order, travelers  
142 check or electronic payment instrument. A payment instrument is a  
143 "Connecticut payment instrument" if it is sold in this state.

144 [(10)] (11) "Permissible investment" means: (A) Cash in United  
145 States currency; (B) time deposits, as defined in [subdivision (65) of]  
146 section 36a-2, as amended, or other debt instruments of a bank; (C)  
147 bills of exchange or bankers acceptances which are eligible for  
148 purchase by member banks of the Federal Reserve System; (D)  
149 commercial paper of prime quality; (E) interest-bearing bills, notes,  
150 bonds, debentures or other obligations issued or guaranteed by: (i) The  
151 United States or any of its agencies or instrumentalities, or (ii) any  
152 state, or any agency, instrumentality, political subdivision, school  
153 district or legally constituted authority of any state if such investment  
154 is of prime quality; (F) interest-bearing bills or notes, or bonds,  
155 debentures or preferred stocks, traded on any national securities  
156 exchange or on a national over-the-counter market, if such debt or  
157 equity investments are of prime quality; (G) receivables due from  
158 selling agents consisting of the proceeds of the sale of payment  
159 instruments which are not past due or doubtful of collection; (H) gold;  
160 and (I) any other investments approved by the commissioner.  
161 Notwithstanding the provisions of this subdivision, if the  
162 commissioner at any time finds that an investment of a licensee is  
163 unsatisfactory for investment purposes, the investment shall not  
164 qualify as a permissible investment.

165 [(11)] (12) "Prime quality" of an investment means that it is within  
166 the top four rating categories in any rating service recognized by the  
167 commissioner unless the commissioner determines for any licensee  
168 that only those investments in the top three rating categories qualify as  
169 "prime quality".

170 [(12)] (13) "Purchaser" means a person who buys or has bought a

171 Connecticut payment instrument.

172 (14) "Stored value" means monetary value that is evidenced by an  
173 electronic record.

174 ~~[(13)]~~ (15) "Travelers check" means a payment instrument for the  
175 payment of money that contains a provision for a specimen signature  
176 of the purchaser to be completed at the time of a purchase of the  
177 instrument and a provision for a countersignature of the purchaser to  
178 be completed at the time of negotiation.

179 Sec. 4. Section 36a-598 of the general statutes, as amended by section  
180 84 of public act 03-19, is repealed and the following is substituted in  
181 lieu thereof (*Effective October 1, 2004*):

182 (a) Each application for an original or renewal license required  
183 under sections 36a-595 to 36a-610, inclusive, shall be made in writing  
184 and under oath to the commissioner in such form as the commissioner  
185 may prescribe. The application shall include:

186 (1) The exact name of the applicant and, if incorporated, the date of  
187 incorporation and the state where incorporated;

188 (2) The complete address of the principal office from which the  
189 business is to be conducted, and of the office where the books and  
190 records of the applicant are maintained and to be maintained,  
191 including the street and number, if any, and the municipality and  
192 county of such offices;

193 (3) The complete name and address of each of the applicant's  
194 branches, subsidiaries, affiliates and agents and subagents, if any,  
195 engaging in this state in the business of selling or issuing Connecticut  
196 payment instruments, or engaging in the business of money  
197 transmission;

198 (4) The name, title, address and telephone number of the person to  
199 whom notice of the commissioner's approval or disapproval of the

200 application shall be sent and to whom any inquiries by the  
201 commissioner concerning the application shall be directed;

202 (5) The name and residence address of (A) the individual, if the  
203 applicant is an individual; (B) the partners, if the applicant is a  
204 partnership; [or] (C) the directors, trustees, principal officers, and any  
205 shareholder owning ten per cent or more of each class of its securities,  
206 if the applicant is a corporation or association; or (D) the managers, if  
207 the applicant is a limited liability company, and sufficient information  
208 pertaining to the name and address, in a form acceptable to the  
209 commissioner, on such partners, directors, trustees, principal officers,  
210 managers, and any shareholder owning ten per cent or more of each  
211 class of its securities, as the commissioner deems necessary to make the  
212 findings under section 36a-600, as amended by this act;

213 (6) The most recently audited unconsolidated financial statement of  
214 the applicant, including its balance sheet and receipts and  
215 disbursements for the preceding year, prepared by an independent  
216 certified public accountant acceptable to the commissioner;

217 (7) A list of the applicant's permissible investments, the book and  
218 market values of such investments, and the dollar amount of the  
219 applicant's aggregate outstanding payment instruments (A) as of the  
220 date of the financial statement filed in accordance with subdivision (6)  
221 of this [section] subsection; and (B) as of a date no earlier than thirty  
222 business days prior to the filing of the application;

223 (8) The history of material litigation and criminal convictions for the  
224 five-year period prior to the date of the application of (A) the  
225 individual, if the applicant is an individual; (B) the partners, if the  
226 applicant is a partnership; [or] (C) the directors, trustees, principal  
227 officers and any shareholder owning ten per cent or more of each class  
228 of its securities, if the applicant is a corporation or association; or (D)  
229 the managers, if the applicant is a limited liability company, and  
230 sufficient information pertaining to the history of material litigation  
231 and criminal convictions, in a form acceptable to the commissioner, on

232 such partners, directors, trustees, principal officers and any  
233 shareholder owning ten per cent or more of each class of its securities;

234 (9) (A) The surety bond required by subsection (a) of section 36a-  
235 602, as amended by this act, if applicable;

236 (B) A list of the investments maintained in accordance with  
237 subsection [(b)] (c) of section 36a-602, as amended by this act, if  
238 applicable, and the book and market values of any such investments (i)  
239 as of the date of the financial statement filed in accordance with  
240 subdivision (6) of this [section] subsection; and (ii) as of a date no  
241 earlier than thirty business days prior to the filing of the application;

242 (C) The commissioner may defer compliance with the provisions of  
243 this subdivision until after the commissioner rules on the application,  
244 but the commissioner shall not issue a license until an applicant  
245 complies with the provisions of this subdivision;

246 (10) A statement of whether the applicant will engage in the  
247 business of issuing money orders, travelers checks or electronic  
248 payment instruments or engage in the business of money transmission  
249 in this state;

250 (11) Any other information the commissioner may require.

251 (b) An applicant or licensee shall promptly notify the commissioner,  
252 in writing, of any change in the information provided in the  
253 application for license or most recent renewal of such license.

254 Sec. 5. Subsection (b) of section 36a-600 of the general statutes is  
255 repealed and the following is substituted in lieu thereof (*Effective*  
256 *October 1, 2004*):

257 (b) If the commissioner conditionally approves an application, the  
258 applicant shall have thirty days, which the commissioner may extend  
259 for cause, to comply with the requirements of section 36a-602, as  
260 amended by this act. Upon such compliance, the commissioner's

261 conditional approval shall become final, and the commissioner shall  
262 issue a license to the applicant. The commissioner shall not issue a  
263 license to any applicant unless the applicant is in compliance with all  
264 the requirements of subsection (a) of this section and section 36a-602,  
265 as amended by this act, and has paid the investigation and license fee  
266 required under section 36a-599.

267 Sec. 6. Section 36a-601 of the general statutes is repealed and the  
268 following is substituted in lieu thereof (*Effective October 1, 2004*):

269 (a) A license may be renewed for the ensuing twelve-month period  
270 upon the filing of an application containing all information required by  
271 section 36a-598, as amended by this act, including the information  
272 required by subdivisions (6), (7), (8) and (9) of subsection (a) of said  
273 section if not previously filed with the commissioner. Such renewal  
274 application shall be filed no later than a date specified each year by the  
275 commissioner in writing to the licensee. If an application for a renewal  
276 license has been filed with the commissioner on or before the date the  
277 commissioner has specified, the license sought to be renewed shall  
278 continue in full force and effect until the issuance by the commissioner  
279 of the renewal license applied for or until the commissioner has  
280 notified the licensee in writing of the commissioner's refusal to issue  
281 such renewal license together with the grounds upon which such  
282 refusal is based. The commissioner may refuse to issue a renewal  
283 license on any ground on which the commissioner might refuse to  
284 issue an original license.

285 (b) If the commissioner determines that a check filed with the  
286 commissioner to pay an investigation or license fee has been  
287 dishonored, the commissioner shall automatically suspend a renewal  
288 license that has been issued but is not yet effective. The commissioner  
289 shall give the licensee notice of the automatic suspension pending  
290 proceedings for refusal to renew such license and an opportunity for a  
291 hearing on such actions in accordance with section 36a-51.

292 Sec. 7. Section 36a-602 of the general statutes, as amended by section

293 4 of public act 03-61, is repealed and the following is substituted in lieu  
294 thereof (*Effective from passage*):

295 (a) As a condition for the issuance and retention of the license,  
296 applicants for a license and licensees shall file with the commissioner a  
297 surety bond, the form of which shall be approved by the Attorney  
298 General, issued by a bonding company or insurance company  
299 authorized to do business in this state. The bond shall be in favor of  
300 the commissioner, cover claims that arise during the period the license  
301 remains in full force and effect and the succeeding two years after such  
302 license has been surrendered, revoked or suspended or has expired, in  
303 accordance with the provisions of sections 36a-595 to 36a-610,  
304 inclusive, and be in the principal sum of (1) three hundred thousand  
305 dollars for any applicant and any licensee that engages in the business  
306 of issuing Connecticut payment instruments with an average daily  
307 balance of outstanding Connecticut payment instruments during the  
308 two previous reporting quarters of three hundred thousand dollars or  
309 less or any licensee that engages in the business of money transmission  
310 with an average weekly amount of money or [equivalent thereof]  
311 monetary value received or transmitted, whichever amount is greater,  
312 during the two previous reporting quarters of one hundred fifty  
313 thousand dollars or less; (2) five hundred thousand dollars for any  
314 licensee that engages in the business of issuing Connecticut payment  
315 instruments with an average daily balance of outstanding Connecticut  
316 payment instruments during the two previous reporting quarters of  
317 greater than three hundred thousand dollars but less than five  
318 hundred thousand dollars or any licensee that engages in the business  
319 of money transmission with an average weekly amount of money  
320 [equivalent thereof] or monetary value received or transmitted,  
321 whichever amount is greater, during the two previous reporting  
322 quarters of greater than one hundred fifty thousand dollars but less  
323 than two hundred fifty thousand dollars; and (3) one million dollars  
324 for any licensee that engages in the business of issuing Connecticut  
325 payment instruments with an average daily balance of outstanding  
326 Connecticut payment instruments during the two previous reporting

327     quarters equal to or greater than five hundred thousand dollars or any  
328     licensee that engages in the business of money transmission with an  
329     average weekly amount of money or [equivalent thereof] monetary  
330     value received or transmitted, whichever amount is greater, during the  
331     two previous reporting quarters of two hundred fifty thousand dollars  
332     or greater. The proceeds of the bond, even if commingled with other  
333     assets of the licensee, shall be deemed by operation of law to be held in  
334     trust for the benefit of any claimants against the licensee to serve the  
335     faithful performance of the obligations of the licensee with respect to  
336     the receipt, handling, transmission or payment of money or monetary  
337     value in connection with the sale and issuance of payment instruments  
338     or transmission of money in the event of the bankruptcy of the  
339     licensee, and shall be immune from attachment by creditors or  
340     judgment creditors. The commissioner may proceed on such bond  
341     against the principal or surety thereon, or both, to collect any civil  
342     penalty imposed upon the licensee pursuant to subsection (a) of  
343     section 36a-50, as amended. In the event a license has been  
344     surrendered, revoked or suspended or has expired, in accordance with  
345     the provisions of sections 36a-595 to 36a-610, inclusive, the  
346     commissioner, in the commissioner's discretion, may lower the  
347     required principal sum of the bond based on the licensee's level of  
348     business and outstanding Connecticut payment instruments.

349     (b) The surety company may cancel the bond at any time by a  
350     written notice to the licensee, stating the date cancellation shall take  
351     effect. Such notice shall be sent by certified mail to the licensee at least  
352     thirty days prior to the date of cancellation. A surety bond shall not be  
353     cancelled unless the surety company notifies the commissioner in  
354     writing not less than thirty days prior to the effective date of  
355     cancellation. The commissioner shall automatically suspend the license  
356     on the date the cancellation takes effect, unless the surety bond has  
357     been replaced or renewed, all of the principal sum of such surety bond  
358     has been invested as provided in subsection (c) of this section, or the  
359     surety bond has been replaced in part and the remaining part of the  
360     principal sum of such surety bond has been invested as provided in

361 subsection (c) of this section or unless the licensee has ceased business  
362 and has voluntarily surrendered the license. The commissioner shall  
363 give the licensee notice of the automatic suspension pending  
364 proceedings for revocation or refusal to renew such license and an  
365 opportunity for a hearing on such actions in accordance with section  
366 36a-51.

367     **[(b)] (c)** In lieu of all or part of the principal sum of such surety  
368 bonds, applicants for a license and licensees may invest such sum as  
369 provided in this subsection. The book or market value, whichever is  
370 lower, of such investments shall be equal to the amount of the bond  
371 required by subsection (a) of this section less the amount of the bond  
372 filed with the commissioner by the applicant or licensee. Such  
373 investments may be:

374     (1) Deposits with such banks as such applicants or licensees may  
375 designate and the commissioner may approve, and in accordance with  
376 such regulations as the commissioner may adopt; or

377     (2) Interest-bearing bills, notes, bonds, debentures or other  
378 obligations issued or guaranteed by (A) the United States or any of its  
379 agencies or instrumentalities, or (B) any state, or any agency,  
380 instrumentality, political subdivision, school district or legally  
381 constituted authority of any state if such investment is of prime  
382 quality.

383     **[(c)] (d)** The investments provided for in subsection **[(b)] (c)** of this  
384 section shall secure the same obligation as would a surety bond filed  
385 under this section. As long as a licensee continues business in the  
386 ordinary course, it shall be permitted to collect interest on such  
387 investments and at any time to exchange, examine, and compare such  
388 investments. The investments made pursuant to this section, even if  
389 commingled with other assets of the licensee, shall be deemed by  
390 operation of law to be held in trust for the benefit of any claimants  
391 against the licensee to serve the faithful performance of the obligations  
392 of the licensee with respect to the receipt, handling, transmission or

393 payment of money in connection with the sale and issuance of  
394 Connecticut payment instruments or transmission of money in the  
395 event of the bankruptcy of the licensee, and shall be immune from  
396 attachment by creditors or judgment creditors.

397 Sec. 8. Section 36a-603 of the general statutes is repealed and the  
398 following is substituted in lieu thereof (*Effective from passage*):

399 (a) Each licensee shall at all times maintain permissible investments  
400 having a value, computed in accordance with generally accepted  
401 accounting principles, at least equal to the aggregate amount of its  
402 outstanding payment instruments and stored value.

403 (b) As used in subsection (a) of this section, "value" means the lower  
404 of book or market value, except that with regard to debt obligations  
405 which the licensee as a matter of policy retains until maturity, "value"  
406 means the greater of book or market value unless the commissioner  
407 orders that for some or all investments of a particular licensee, "value"  
408 means the lower of book or market value.

409 (c) Permissible investments, even if commingled with other assets of  
410 the licensee, shall be deemed by operation of law to be held in trust for  
411 the benefit of any claimants against the licensee to serve the faithful  
412 performance of the obligations of the licensee with respect to the  
413 receipt, handling, transmission or payment of money or monetary  
414 value in connection with the sale and issuance of payment instruments  
415 or transmission of money or monetary value in the event of the  
416 bankruptcy of the licensee, and shall be immune from attachment by  
417 creditors or judgment creditors.

418 Sec. 9. Subsection (c) of section 36a-604 of the general statutes is  
419 repealed and the following is substituted in lieu thereof (*Effective from*  
420 *passage*):

421 (c) Each licensee that engages in the business of money  
422 transmission, except by issuing stored value shall at all times have a

423 net worth of at least five hundred thousand dollars. Each licensee that  
424 engages in the business of money transmission by issuing stored value  
425 shall at all times have a net worth of at least five hundred thousand  
426 dollars or a higher amount as determined by the commissioner, in  
427 accordance with generally accepting accounting principles.

428 Sec. 10. Subsection (b) of section 36a-605 of the general statutes is  
429 repealed and the following is substituted in lieu thereof (*Effective*  
430 *October 1, 2004*):

431 (b) The commissioner may enter into cooperative, coordinating and  
432 information-sharing agreements with any other state or federal  
433 supervisory agency or any organization affiliated with or representing  
434 such supervisory agency with respect to the examination, examination  
435 fees or other supervision of any person subject to the provisions of  
436 sections 36a-595 to 36a-610, inclusive. Any such agreement may  
437 include provisions concerning the assessment or sharing of fees for  
438 such examination or supervision.

439 Sec. 11. Subsection (a) of section 36a-606 of the general statutes is  
440 repealed and the following is substituted in lieu thereof (*Effective from*  
441 *passage*):

442 (a) On or before the thirtieth day of April each year, each licensee  
443 shall file with the commissioner:

444 (1) Its most recently audited unconsolidated financial statement,  
445 including its balance sheet and receipts and disbursements for the  
446 preceding year, prepared by an independent certified public  
447 accountant acceptable to the commissioner;

448 (2) A list of permissible investments, the book and market value of  
449 such investments, and the dollar amount of the licensee's aggregate  
450 outstanding payment instruments; and

451 (3) A list of investments maintained in accordance with subsection  
452 [(b)] (c) of section 36a-602, as amended by this act, if applicable, the

453 book and market values of such investments and the dollar amount of  
 454 the licensee's aggregate outstanding Connecticut payment instruments  
 455 and stored value.

456 Sec. 12. Section 36a-609 of the general statutes, as amended by  
 457 section 6 of public act 03-61, is repealed and the following is  
 458 substituted in lieu thereof (*Effective from passage*):

459 The provisions of sections 36a-597 to 36a-606a, inclusive, as  
 460 amended, shall not apply to:

461 (1) Any federally insured federal bank, out-of-state bank, federal  
 462 credit union or out-of-state credit union, provided such institution  
 463 does not issue or sell Connecticut payment instruments or transmit  
 464 money or monetary value through an agent or subagent which is not a  
 465 federally insured bank, out-of-state bank, Connecticut credit union,  
 466 federal credit union or out-of-state credit union;

467 (2) Any Connecticut bank or Connecticut credit union;

468 (3) The United States Postal Service; and

469 (4) A person whose activity is limited to the electronic funds transfer  
 470 of governmental benefits for or on behalf of a federal, state or other  
 471 governmental agency, quasi-governmental agency or government  
 472 sponsored enterprise.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>
Sec. 3	<i>from passage</i>
Sec. 4	<i>October 1, 2004</i>
Sec. 5	<i>October 1, 2004</i>
Sec. 6	<i>October 1, 2004</i>
Sec. 7	<i>from passage</i>
Sec. 8	<i>from passage</i>
Sec. 9	<i>from passage</i>

Sec. 10	<i>October 1, 2004</i>
Sec. 11	<i>from passage</i>
Sec. 12	<i>from passage</i>

**Statement of Purpose:**

To require an application for a check cashing service license or renewal of such license to contain the name and address of each manager and authorized agent of the applicant, if the applicant is a limited liability company; to require a check cashing service licensee to obtain the Banking Commissioner's approval prior to changing the location specified on its license or changing the days and hours of operation of a limited check cashing service facility; to require said commissioner to find that each manager and authorized agent of a limited liability company applicant is in all respects properly qualified and of good character before said commissioner can issue a check cashing service license to such applicant; to require check cashing service licensees to notify said commissioner of any change in the information provided in its application for licensure or renewal application; to provide for the automatic suspension of a check cashing service facility license or location transfer approval if the check used to pay the fee for such license or approval is dishonored; to add definitions for the terms "monetary value" and "stored value" and to amend the definitions of "money transmission" and "outstanding" to include issuers of stored value; to require an application for a money transmission license or Connecticut payment instrument issuer license or renewal of such licenses to contain the name and residence address of the managers of such applicant, if such applicant is a limited liability company, and to require such applicant to include the history of material litigation and criminal conviction of the managers for the five-year period prior to the date of the application; to require money transmission licensees and Connecticut payment instrument issuer licensees to notify said commissioner of any change in the information provided in its application for licensure or renewal application; to prohibit the Banking Commissioner from issuing a money transmission license or Connecticut payment instrument issuer license unless the applicant has paid the required investigation and license fee; to provide for the automatic suspension of a renewal of a money transmission license or Connecticut payment instrument issuer license if the check used to pay any fee for such license renewal is dishonored; to require a money transmission licensee to obtain a surety bond based upon its level of business of money or monetary value transmitted or received,

whichever amount is greater; to specify that a surety company may cancel the surety bond required to be maintained by a money transmission licensee or Connecticut payment instrument issuer licensee at any time with thirty days prior written notice to the licensee and said commissioner; to provide for the automatic suspension of a money transmission license or Connecticut payment instrument issuer license if the surety bond required to be maintained by such licensee is cancelled;.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*